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Proposed Attorneys for the Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:	Bankruptcy Case No. 15-26366
CORNERSTONE INDUSTRIES, INC.,	
Debtor.	Chapter 11 Honorable William T. Thurman

**DECLARATION OF LISA FLIPPO
CONCERNING SINGLE ASSET REAL ESTATE**

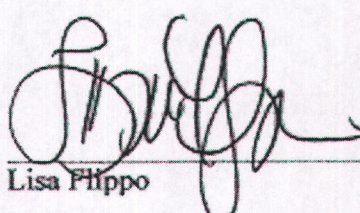
I, Lisa Flippo, state and declare:

1. I am the secretary of Cornerstone Industries, Inc. (the "Debtor"), debtor and debtor in possession. I submit this declaration in response to the Court's Order entered July 20, 2015 to (1) Disclose Single Asset Real Estate; (2) File Status Report; (3) Attend Initial Status Conference on August 20, 2015; and (4) File Monthly Operating Reports, hereby submits its initial status report in compliance with the Court's Order entered July 20, 2015 to (1) Disclose Single Asset Real Estate; (2) File Status Report; (3) Attend Initial Status Conference on August 20, 2015; and (4) File Monthly Operating Reports.

2. The Debtor does not have any legal or equitable interest in "single asset real estate," as defined in section 101(51B) of the Bankruptcy Code. The Debtor's assets consist of a stockpile of ore (the "Ore Stockpile") which has been removed from a mine for which the Debtor holds a lease from the Utah State Institutional Trust Lands Administration (the "SITLA Lease"). The surface rights on the real property (the "Real Property") on which the mine and stockpile of ore are located is owned in fee simple by the Debtor. The Debtor believes that the extracted ore, which contains significant amounts of precious metals, is personal property.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing statements are true and correct.

DATED: 8/16/15



Lisa Filipo

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DIV. OF OIL, GAS & MINING

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FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:	Bankruptcy Case No. 15-26366
CORNERSTONE INDUSTRIES, INC.,	Chapter 11
Debtor.	Honorable William T. Thurman

DEBTOR'S INITIAL STATUS REPORT

Debtor Cornerstone Industries, Inc. ("Cornerstone" or the "Debtor"), debtor and debtor in possession, hereby submits its initial status report in compliance with the Court's Order entered July 20, 2015 to (1) Disclose Single Asset Real Estate; (2) File Status Report; (3) Attend Initial Status Conference on August 20, 2015; and (4) File Monthly Operating Reports.

1. Not Single Asset Real Estate. As set forth in the attached declaration of Lisa Flippo, secretary of the Debtor, the Debtor's assets consist of a stockpile of ore (the "Ore Stockpile") which has been removed from a mine for which the Debtor holds a lease from the Utah State Institutional Trust Lands Administration (the "SITLA Lease"). The surface rights on the real property (the "Real Property") on which the mine and stockpile of ore are located is

sale of precious metals. The Debtor does not believe, however, that such ordinary course sales would require Court approval.

11. Anticipated Professional Fees. It is difficult to estimate professional fees in this case because they will depend in large part on the amount of opposition the Debtor receives from creditors in its case.

12. Not Small Business Debtor. The schedules of assets and liabilities filed in this case show secured and unsecured claims totaling in excess of \$7,000,000, significantly in excess of the maximum amount of debt for a "small business debtor" under section 101(51D) of the Bankruptcy Code. Some of the secured creditors are listed as disputed, but the disputes generally go to validity, priority, and/or extent of liens rather than amount.

13. Compliance with Required Duties of a Chapter 11 Debtor. The Debtor believes that it has complied with the requirements of section 521, 1106, and 1107 and Local Rule 2081-

1. It has filed schedules and statements, attended its initial debtor interview with the U.S. Trustee, and submitted its initial financial report.

DATED this 6th day of August, 2015.

CORNERSTONE INDUSTRIES, INC.

By: 

Lisa Flippo, Secretary

DURHAM JONES & PINEGAR, P.C.

By: 

Kenneth L. Cannon II

Proposed Attorneys for Debtor